

HOUSE BILL 78

By Litz

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, Part 5, relative to sales and use tax
compensation for small dealer's accounting costs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 5, is amended by
adding the following language as a new section:

Section 67-6-543.

(a)

(1) For the purpose of compensating a qualified small in-state dealer in accounting for and remitting the tax, and upon satisfactory application to the department, the department shall compensate each such dealer an amount equal to one half of one percent (0.5%) of the total tax remitted by such dealer to the department for the year for which application is made in accordance with subsection (b).

(2) For the purposes of this section, a "qualified small in-state dealer" is a Tennessee business with annual gross sales totaling two hundred forty thousand dollars (\$240,000) or less.

(b) In any tax year in which a dealer believes such dealer qualifies for the compensation provided pursuant to subsection (a), such dealer shall apply to the department within ninety (90) calendar days of the close of the dealer's tax year. The dealer shall provide to the department a completed application and any additional information as deemed necessary by the department including, but not limited to, relevant Federal tax documents or other financial documents establishing such dealer's amount of total gross sales for the application year.

(c)

(1) The department shall review and evaluate each dealer's application in accordance with the provisions of this section and the rules and regulations established by the department. Upon a determination that a dealer is qualified for compensation under the provisions of this section, the department shall compensate such dealer within thirty (30) calendar days of such determination.

(2) The department shall provide a uniform application form for qualified small in-state dealer compensation.

(d) No compensation shall be made to any dealer who has failed to, or is delinquent in, filing any report or payment required to be made pursuant to this chapter during the tax year for which application is made.

SECTION 2. The department shall promulgate rules and regulations to effectuate the provisions of this act.

SECTION 3. For the purpose of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2007, the public welfare requiring it and shall apply to tax years beginning on and after such date.